

Concerns With SB 1293 & 1294

- **Community Rating Goes Away**
- **Attorney General Review And Advise Goes Away**
- **Maintain The 1% Surcharge For MedicaP Legacy Plan C**

Bob Fox

Live in Livingston County

Senior Volunteer

MMAP Counselor

Advisory Council Elder Law Of Michigan

Chairman Of MSAC

Have had little or not time to review SB 1293 and 1294

I am hearing this may be the only hearing

Why the rush? Many times I have rushed a decision I have regretted the decision

Community Rating Goes Away

- **Medigap Legacy Plan C Currently Uses Community Rating To Establish Its Premium**
 - **Three Type Of Ratings Used For Medigap Policyies Attained Age, Issue Age, and Community Rating**
 - **Community Rating Looks At The Demographic Profile Of Citizens In A Geographic Area To Establish Premium**
 - **Using Attained Age As A Rating Will Guarantee Premium Increases Every Year**

Attorney General Review And Advise Goes Away

- **In 2009 BCBS Requested Rate Hikes**
 - **For Group Conversion Subscribers The Request Was For An Increase Of 42%**
 - **AG Involvement Resulted In A 22% Increase**
 - **For Non Group Subscribers The Request Was For 56%**
 - **AG Involvement Resulted In A 22% Increase**
- **In 2010 BCBS Requested A 31.2% Rate Hike On Medigap Legacy Plans**
 - **AG Involvement Resulted In A 3.8% Increase**

Attorney General Review And Advise Goes Away

- **Is The Process Longer Because Of The Involvement Of The Attorney General?**
- **Yes, But I Would Argue That The Benefits To The Senior Consumers Has Been Overwhelmingly Proven**
- **Many Seniors In Michigan Depend On The Attorney General To Represent Them On Issues Like Rate Hikes Etc.**
- **Attorney Generals Of Both Parties Have A Long And Distinguished History Of Protecting Seniors**
- **I Have More Examples Of AG Intervention And Can Share Them With You If Desired**

Maintain The 1% Surcharge For Medicaid Legacy Plan C

- **Surcharge Keeps Plan C Premiums Affordable For Many Seniors**
- **1 in 3 Seniors In Michigan Depend On Their Social Security Check For Over 90% Of Their Income**
 - **That SS Check Is Approx. \$15,500 Per Year**
- **Will Force Many Seniors To Drop Legacy Plans And Depend On Medicare And Pay High Out Of Pocket Costs Which Means They Will Forego Medical Care And Prescription Medications**

Medigap Plans Vs Medicare Advantage Plans

- **Coverage Is Distinctly Different**
 - **Medicare Advantage**
 - **Co Pays And Co Insurance**
 - **Usually Prescription Drug Coverage With Plan**
 - **Plan Recommends Doctors And Hospitals In Network**
 - **Can Go Outside Network But More Expensive**
 - **Medigap Or Supplemental Insurance**
 - **No Co Pays Or Co Insurance**
 - **Prescription Drug Coverage Not Included With Plan**
 - **Can See Any Doctor Or Hospital Within The U.S, That Accepts Medicare**
 - **Legacy Plan Very Popular Among Seniors**
 - **As Of May 2010 Legacy Plan C Had 206,825 Seniors Enrolled**